



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

September 11, 1995

*Surety & Bond  
replaced.  
Returned RC to  
operator 1/8/01*

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aa*

RE: Request for Board Approval, Amount and Form of Reclamation Surety, Cotter Corporation, Papoose Limestone Mine, M/037/084, San Juan, County, Utah

The Division seeks Board approval of the amount and form of reclamation surety provided by Cotter Corporation for the Papoose Mine, located in San Juan County, Utah. The Papoose operation is currently permitted as a small mine, but is expanding to large mining status. The mine site is located entirely on lands administered by the School and Institutional Trust Lands Administration (SITLA). A surety bond with United Pacific Insurance Company in the amount of \$100,000 has been posted with SITLA. The SITLA Administrator formally approved surety acceptance on September 6, 1995. The surety amount is based on 20 acres of disturbance at \$5,000/acre and includes rental, royalty and reclamation costs as required under SITLA lease agreements. The Division's estimate of reclamation costs for this site is \$47,600; therefore, the \$100,000 amount is well over the amount the Division would require. Under our current MOU, SITLA will not release the surety without written approval from the Division.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Executive summary
4. Reclamation surety estimate
5. Reclamation Contract
6. Copy of surety bond held by SITLA (w/accompanying riders)

Thank you for your time and consideration of this request.

Attachments  
M037084.BRD



**DOGM MINERALS PROGRAM**

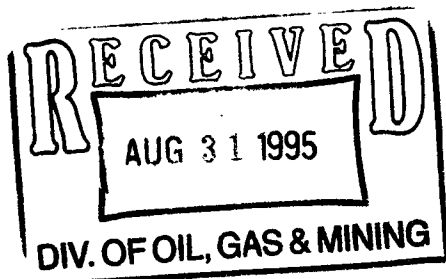
Checklist for Board Approval  
of  
**FORM AND AMOUNT OF SURETY**

Prepared September 7, 1995

Company Name Cotter Corporation  
 Mine Name Papoose  
 File No. M/037/084

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification	x		
Bond/Reclamation Surety	X		Bond held by SITLA (\$100,000)
Surety Sign Off (Other State/Federal Agencies)	n/a		
RDCC contacted	X		

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340



RECLAMATION CONTRACT  
---ooOoo---

*Replaced RC  
12-8-2000  
This original  
returned to operator  
1-8-2001.*

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M-037-084</u>
(Mineral Mined)	<u>Limestone</u>
"MINE LOCATION":	
(Name of Mine)	<u>Papoose</u>
(Description)	<u>30 miles SSE of Moab,</u>
	<u>San Juan County, Utah</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>20</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Cotter Corporation</u>
(Address)	<u>P.O. Box 700</u>
	<u>28151 DD Road</u>
	<u>Nucla, CO 81424</u>
(Phone)	<u>(970) 864-7347</u>

**"OPERATOR'S REGISTERED AGENT":**

(Name)

(Address)

(Phone)

C.T. Corporation System

8th Floor

50 West Broadway

Salt Lake City, UT 84101

(801) 364-1228

**"OPERATOR'S OFFICER(S)":**

Harlan M. Dellis, President

Rich Ziegler, Exec. Vice President,

Secretary, & Treasurer

**"SURETY":**

(Form of Surety - Attachment B)

Surety Bond

**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

United Pacific Insurance Co.

**"SURETY AMOUNT":**

(Escalated Dollars)

\$100,000

**"ESCALATION YEAR":**

**"STATE":**

State of Utah

**"DIVISION":**

Division of Oil, Gas and Mining

**"BOARD":**

Board of Oil, Gas and Mining

**ATTACHMENTS:**

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Cotter Corporation the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M-037-084 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Board and the Operator agree as follows:

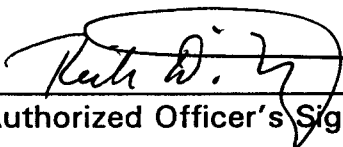
1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated May 23, 1995, and the original Reclamation Plan dated May 23, 1995. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.


14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Rich Ziegler, Exec. Vice President  
Authorized Officer (Typed or Printed)

 August 24, 1995  
Authorized Officer's Signature Date

SO AGREED this 13 day of October, 1995.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY   
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

  
James W. Carter, Director

Date

Oct 13, 1995

STATE OF

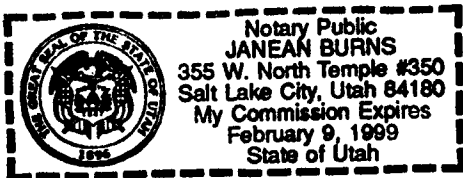
Utah

) ss:

COUNTY OF

Salt Lake

On the 13 day of October, 19 95, personally appeared before me, who being duly sworn did say that he/~~she~~, the said James W. Carter is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.



Janean Burns  
Notary Public  
Residing at: Salt Lake County

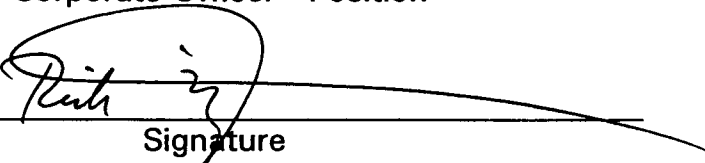
February 9, 1999  
My Commission Expires:

OPERATOR:

Cotter Corporation  
Operator Name


By Rich Ziegler, Exec. Vice President  
Corporate Officer - Position

August 24, 1995  
Date

  
Signature

STATE OF Colorado )  
 ) ss:  
COUNTY OF Jefferson )

On the 24th day of August, 19 95, personally  
appeared before me Rich Ziegler who  
being by me duly sworn did say that he/she, the said Rich Ziegler  
is the Executive Vice President of Cotter Corporation  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Rich Ziegler duly acknowledged to me that said  
company executed the same.

  
Notary Public  
Residing at: Littleton, Colo

4-10-96  
My Commission Expires:



## ATTACHMENT "A"

Cotter Corporation  
Operator

Papoose  
Mine Name

M-037-084  
Permit Number

San Juan County, Utah

### The legal description of lands to be disturbed is:

19.84 acres within an area described as :

Beginning at a point 1565 feet South 32° East of the Northwest corner of Section 36, Township 29½ South, Range 24 East, Salt Lake Principle Meridian, San Juan County, Utah;  
thence 130 feet South 80° East; thence 230 feet South 40° East;  
thence 230 feet South 50° West; thence 340 feet South 32° East;  
thence 30 feet North 63° East; thence 2000 feet South 27° East;  
thence 300 feet South 63° West; thence 2000 feet North 27° West;  
thence 30 feet North 63° East; thence 180 feet North 39° West;  
thence 60 feet South 87° West; thence 250 feet North 32° West;  
thence 120 feet North 37° East; thence 150 feet North 18° East;  
thence 150 feet North 42° East, to the place of beginning.

In addition, an access road has been constructed and includes another 0.16 acres falling within an area 10 feet either side of a centerline beginning 1580 feet South 56° East of the Northwest corner of Section 36, Township 29½ South, Range 24 East, Salt Lake Principle Meridian, San Juan County Utah;  
thence 140 feet North 80° East; thence 120 feet North 70° East;  
thence 90 feet North 52° East; thence 90 feet North 10° East,  
where the road connects to San Juan County Road 370.

sandescr.js

STAT ASE ML-45609 BOUNDARY

NW Corner  
Sec. 36, T29 1/2 S,  
R24 E, S4 PM.

SAN JUAN COUNTY ROAD 370

POND

HAUL

Intermittent  
stream

24" Culvert  
6" Culverts

Access Road

Burned  
Fuel Area

Possible  
Building Site

Present  
stockpile area

Previously  
disturbed area

Silt  
Fence

Additional  
Permit Area

BIV-87-3  
6835

BIV-87-4  
6793

BIV-87-5  
6731

STATE LEASE ML-45609 BOUNDARY

36

LVP  
6792

Exhibit B

COTTER CORPORATION  
PAPOOSE MINE PLAN  
Large Mine Permit  
1"=500'

^ topsoil storage

BIV-87-  
6931

STATE OF UTAH  
BOND OF LESSEE

*Bond replaced  
9/29/00*

KNOW ALL MEN BY THESE PRESENTS, that we COTTER CORPORATION  
of 12596 W. Bayaud-Suite 350, Lakewood, CO 80228 as principal and  
UNITED PACIFIC INSURANCE COMPANY as surety, are held and firmly bound  
unto the State of Utah in the sum of see below\* Dollars (\$ 24,150 ) lawful money of the United States  
to be paid to the Board of State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the State  
of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease heretofore  
sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other mineral deposits  
of any portion of such lands, for which payment, will and truly to be made, we bind ourselves, and each of us, and each  
of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 24th day of June in the year of our Lord, 1994.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) Mineral  
lease, Lease Number 45609 and dated May 11, 1992, to Cotter  
Corporation as lessee (and said lease has been duly assigned under date of \_\_\_\_\_  
to \_\_\_\_\_) to drill for, mine, extract, and remove all of the Limestone  
deposits in and under the following described lands to wit:

NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , N $\frac{1}{2}$  NE $\frac{1}{4}$ , and SW $\frac{1}{4}$  SE $\frac{1}{4}$ , Section 36 T.29  $\frac{1}{2}$  S., R.24.,  
San Juan County, Utah

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals, royalties, cost of reclamation,  
damages to the surface and improvements thereon and any other costs which arise by operation of the above described  
lease(s) accruing to the Lessor and shall fully comply with all other terms and conditions of said lease, the rules,  
regulations, and policies relating thereto of the Board of State Lands and Forestry, Division of State Lands and Forestry,  
the Board of Oil, Gas and Mining, and the Division of Oil, Gas and Mining as they may now exist or may from time  
to time be modified or amended. This obligation is in effect even if the principal has conveyed part of the purchase  
agreement interest to a successor in interest. If the principal fully satisfies the above described obligations, then the  
surety's obligation to make payment to the State of Utah is void and of no effect, otherwise, it shall remain in full force  
and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered  
in the presence of

Jerry L Powers  
Witness

Marion J. Juhl  
Witness

COTTER CORPORATION

Rich D. Ziegler (SEAL)  
Principal  
Rich D. Ziegler - Exec. V.P. & General Manager

BONDING COMPANY

BY James W. Burnie  
James W. Burnie, Attorney-in-Fact

Attest: (jurat attached)

APPROVED AS TO FORM:

JAN GRAHAM  
ATTORNEY GENERAL

Resident Agent: Jina Davis

Bonding Co. Address: ONE PIERCE PLACE - SUITE 33W

By [Signature]

\*TWENTY FOUR THOUSAND ONE HUNDRED FIFTY

ITASCA, IL 60143-2640

Corporate Seal of Bonding Company Must be Affixed.

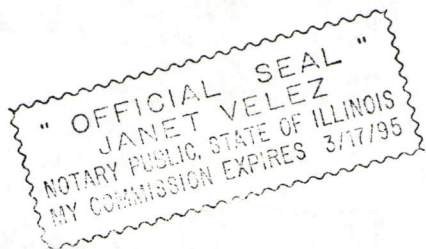


STATE OF ILLINOIS  
COUNTY OF COOK

On this 24th day of June, 1994, before me personally  
came James W. Burnie to me known,  
who being by so duly sworn, did depose and say: that he/she is

Attorney-in-Fact of United Pacific Insurance Company

the Corporation described in and which executed the foregoing  
instrument; that he/she knows the seal of said Corporation; that  
the seal affixed to said instrument is such corporate seal; that it  
was so affixed by authority granted to him/her in accordance with  
the By-Laws of the said Corporation, and that he/she signed his/her  
name thereto by like authority.



  
NOTARY PUBLIC

My Commission Expires

3-17-95

# UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint James W. Burnie, John T. Kelly, Joanne C. Wagner, Janet Velez., individually, of Chicago, Illinois, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed, this 12 day of October, 1993

UNITED PACIFIC INSURANCE COMPANY



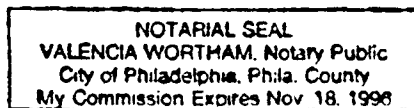
*Charles B. Schmalz*

Vice President

STATE OF Pennsylvania  
COUNTY OF Philadelphia

} ss.

On this 12 day of October, 1993 personally appeared Charles B. Schmalz to me known to be the Vice President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.



*Valencia Wortham*

Notary Public in and for State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 24th day of June 19 94

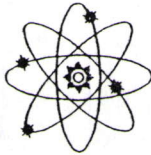


*Anita Zippert*

Secretary



**Cotter Corporation**  
General Office



12596 West Bayaud Avenue, Suite 350 Lakewood, CO 80228  
Phone (303) 980-1292 FAX (303) 980-1296

*M/037/084*  
**RECEIVED**

AUG 11 1995

TRUST LANDS  
ADMINISTRATION

August 8, 1995

Mr. John T. Blake  
Mineral Resources Specialist  
State of Utah  
Trust Land Administration  
355 West North Temple  
Three Triad Center, STE 400  
Salt Lake City, UT 84180-1204

**RE: ML 45609 - Building and Limestone**

Dear Mr. Blake:

Enclosed please find a Surety Rider increasing the amount of our bond # from \$24,150 to \$25,000 for the above mineral lease as per your June 15 letter.

I understand we are in the process of expanding even more and that the paperwork for an increased bond amount will be forthcoming.

Sincerely,

Jerry L. Powers  
Director - Personnel, Health  
and Safety

JLP/rg  
JLP390.JLP

Enclosure

# SURETY RIDER

To be attached to and form a part of -

Type of Bond: Bond Of Lessee

Bond No. \_\_\_\_\_

dated effective June 24, 1994  
(MONTH, DAY, YEAR)

executed by Cotter Corporation, as Principal,  
(PRINCIPAL)

and by United Pacific Insurance Company, as Surety,  
(SURETY)

in favor of State of Utah  
(OBLIGEE)

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to

Increasing the amount of this bond

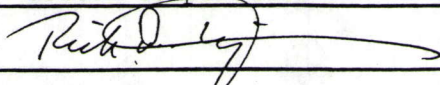
From: Twenty Four Thousand One Hundred Fifty And No/100 (\$24,150.00) Dollars

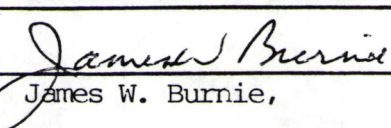
To: Twenty Five Thousand And No/100 (\$25,000.00) Dollars

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective July 14, 1995  
(MONTH, DAY, YEAR)

Signed and Sealed July 14, 1995  
(MONTH, DAY, YEAR)

By:  Cotter Corporation PRINCIPAL  
Exec. Vice President  
TITLE

By:  United Pacific Insurance Company SURETY  
James W. Burnie, ATTORNEY-IN-FACT



STATE OF ILLINOIS  
COUNTY OF COOK

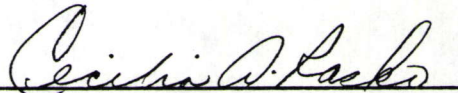
On this 14th day of July, 19 95, before me personally came

James W. Burnie to me known, who

being by so duly sworn, did depose and say: that he/she is

Attorney-in-Fact of United Pacific Insurance Company

the Corporation described in and which executed the foregoing instrument; that he/she knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him/her in accordance with the By-Laws of the said Corporation, and that he/she signed his/her name thereto by like authority.



NOTARY PUBLIC



My Commission Expires

1-3-99



ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint James W. Burnie, John T. Kelly, Joanne C. Wagner, Janet Velez., of Chicago, Illinois their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this March 2, 1995.



RELIANCE SURETY COMPANY  
RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

*Charles B. Schmalz*

STATE OF Pennsylvania  
COUNTY OF Philadelphia

} ss.

On this, March 2, 1995, before me, Tammy Sue Kayati, personally appeared Charles B. Schmalz, who acknowledged himself to be the Executive Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.

NOTARIAL SEAL  
TAMMY SUE KAYATI, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires July 20, 1998



*Tammy Sue Kayati*  
Notary Public in and for the State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 14 day of July 19 95.



*Anita Zippert*  
Secretary



**Cotter Corporation**  
General Office



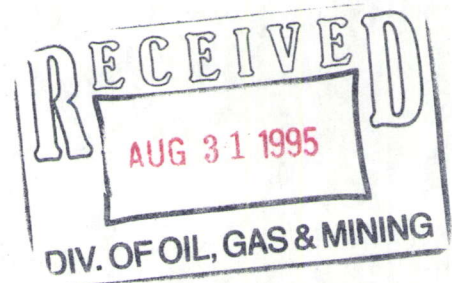
12596 West Bayaud Avenue, Suite 350 Lakewood, CO 80228  
Phone (303) 980-1292 FAX (303) 980-1296

*M/037/084*

*Bond replaced  
9/29/00.*

August 25, 1995

Mr. John T. Blake  
Mineral Resources Specialist  
State of Utah  
Trust Lands Administration  
355 West North Temple  
3 Triad Center, Suite 400  
Salt Lake City, UT 84180-1204



**Re: ML45609 - Papoose Limestone Mine, San Juan County, Utah**

Dear Mr. Blake:

Enclosed find a completed, and fully executed DOGM Reclamation contract form for the above referenced limestone operation. In addition, I am enclosing a rider to our reclamation Bond #1\_ increasing the surety amount to \$100,000.00 as requested by your letter of July 19, 1995, to Mr. Glen Williams and confirmed with a follow-up letter from Mr. Stokes dated August 8, 1995.

If you have questions or comments please contact me. I would also appreciate receiving a signed copy of the contract once it is accepted by your group.

Sincerely,

Jerry L. Powers  
Director - Personnel,  
Health & Safety

JLP:dd  
JLP\394.JLP

cc: Jon Showalter (w/attachments)  
Steve Landau (w/attachments)





**Reliance**

RELiance SURETY COMPANY  
Philadelphia, Pennsylvania

RELiance INSURANCE COMPANY  
Philadelphia, Pennsylvania

RELiance NATIONAL INDEMNITY COMPANY  
Philadelphia, Pennsylvania

**RIDER**

To be attached to and form a part of

Type of Bond: Reclamation Bond Lease

Bond No. \_\_\_\_\_

executed by Cotter Corporation

and by United Pacific Insurance COMPANY, as Surety.

in favor of State of Utah

and dated June 24, 1994

*Bond replaced  
9/29/00  
This bond returned to  
operator + 8 st.  
SITKA holds  
original*

In consideration of the premium charged for the attached bond, it is hereby agreed to change:

Increasing the amount of the bond:

From: Twenty Five Thousand And No/100 (\$25,000.00) Dollars

To: One Hundred Thousand And No/100 (\$100,000.00) Dollars

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider is effective August 18, 1995

Signed and Sealed August 18, 1995

Principal Cotter Corporation

By: *Rich D. [Signature]*

*Espec. Vice Pres. [Signature]*

Title

United Pacific Insurance Company

COMPANY

By: *James W. Burnie*

James W. Burnie,

Attorney-in-Fact

RIDER ACCEPTED (Please sign duplicate of this Rider and return to Surety)

By: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF ILLINOIS  
COUNTY OF COOK

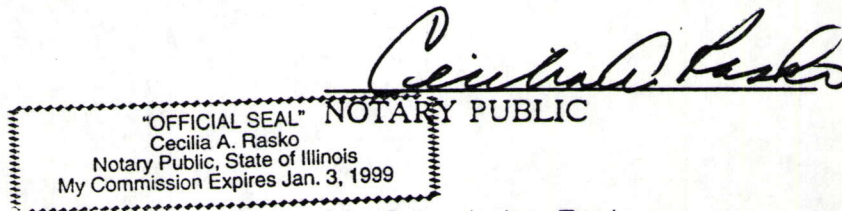
On this 18th day of August, 19 95, before me personally came

James W. Burnie to me known, who

being by so duly sworn, did depose and say: that he/she is

Attorney-in-Fact of United Pacific Insurance Company

the Corporation described in and which executed the foregoing instrument; that he/she knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him/her in accordance with the By-Laws of the said Corporation. and that he/she signed his/her name thereto by like authority.



My Commission Expires

1-3-99



RELIANCE SURETY COMPANY  
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint James W. Burnie, John T. Kelly, Joanne C. Wagner, Janet Velez., of Chicago, Illinois their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

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2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

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"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this March 2, 1995.



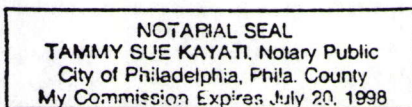
RELIANCE SURETY COMPANY  
RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

*Charles B. Schmalz*

STATE OF Pennsylvania  
COUNTY OF Philadelphia } ss.

On this, March 2, 1995, before me, Tammy Sue Kayati, personally appeared Charles B. Schmalz, who acknowledged himself to be the Executive Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.



*Tammy Sue Kayati*  
Notary Public in and for the State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 18 day of August 19 95.

*Anita Zippert*  
Secretary







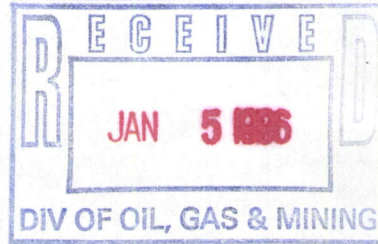
# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

355 West North Temple  
3 Triad Center, Suite 400  
Salt Lake City, Utah 84180-1204  
801-538-5508  
801-355-0922 (Fax)



TONY  
M/037/084

January 4, 1996

Jerry Powers  
Cotter Corporation  
12596 W. Bayaud, Suite 350  
Lakewood, CO 80228

Dear Mr. Powers:

RE: Acceptance of Rider to State of Utah Bond of Lessee,  
Bond No.

This letter is to confirm that on January 3, 1996, the Director of the School and Institutional Trust Lands Administration accepted a rider to State of Utah Bond of Lessee, Bond No. U 247 55 86, with Cotter Corporation as principal. This rider changes the amount of this bond from \$100,000 to \$54,000. The bond is to cover operations under State of Utah Building Stone/Limestone Lease ML 45609.

If you have any questions concerning this matter, please contact this office.

Sincerely,

JOHN T. BLAKE  
MINERAL RESOURCES SPECIALIST

tdw







**Reliance**

**RELIANCE SURETY COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**UNITED PACIFIC INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE NATIONAL INDEMNITY COMPANY**  
Philadelphia, Pennsylvania

TONY S.  
M/037/084

Bond replaced  
9/29/00.

**RIDER**

To be attached to and form a part of

Type of Bond: Reclamation Bond Lease

Bond No. \_\_\_\_\_

executed by Cotter Corporation

, as Principal,

and by UNITED PACIFIC INSURANCE COMPANY, as Surety,

in favor of State of Utah

and dated June 24, 1994

In consideration of the premium charged for the attached bond, it is hereby agreed to change:

Decreasing the bond amount

From: One hundred thousand and no/100 (\$100,000.00) Dollars

To: Fifty four thousand and no/100 (\$54,000.00) Dollars

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider is effective December 19, 1995

Signed and Sealed December 19, 1995

Principal Cotter Corporation

By: Keith D. [Signature]

Gen. Vice President

Title

UNITED PACIFIC INSURANCE

COMPANY

By: [Signature]

Vivienne Douglas

Attorney-in-Fact

RIDER ACCEPTED (Please sign duplicate of this Rider and return to Surety)

By: Dan T. [Signature]

Date

JANUARY 3, 1996